GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:1115
ANSWERED ON:07.03.2002
PROPOSAL FOR SEGREGATION OF SAIL
MAHBOOB ZAHEDI;SUNIL KHAN

Will the Minister of STEEL be pleased to state:

(a) whether the Government propose to segregate SAIL into two strategic business units;

(b) if so, the details thereof;

(c) whether a meeting at Ranchi with American Advisor Organisation, Machine and Boston was held in this connection;

(d) if so, the recommendations made therein; and

(e) the reaction of the Government thereto?

Answer

MINISTER OF STATE FOR STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a)&(b): Consequent upon approval of the financial and business restructuring package of Steel Authority of India Ltd. (SAIL) by the Govt. in February 2000, an MOU had been signed between SAIL and Ministry of Steel which included, inter alia, formation of product based Strategic Business Units (SBU) structure for SAILAccordingly, it has been decided to create two product based SBUs viz. for Longs & Flats.

(c)to(e): A workshop with the assistance of The Boston Consulting Group was held in October, 2001 in Ranchi.The major points that emerged in the workshop are :

- The product based SBU structure was accepted for implementation.
- The implementation plan was prepared.
- 8 design and execution teams were formed to look into identified areas and prepare the design solution.

It has been proposed to implement the SBU structure in two phases starting from 1st April, 2002.